

## Rob Painter, President and Chief Executive Officer

Welcome, everyone. Before I get started, our presentation is available on our website, and please refer to the safe harbor statement. Our financial commentary will reflect non-GAAP performance metrics including organic growth comparisons, which refer to the corresponding period of the prior year unless otherwise noted. In addition, our P&L commentary will emphasize comparables on an as-adjusted basis, which excludes our agriculture business, our recently divested mobility business and the extra week that we had in the fourth quarter of 2024.

Starting on slide 4, we ended the year on an emphatically strong note. As reported, fourth quarter revenue at \$983M, ARR at \$2.26B, and EPS at \$0.89 were all above the midpoint of our guidance. On an as-adjusted basis, revenue was up 9% for the quarter and 6% for the year, with ARR up 16%, gross margins at 71.7% represent the first time that we have crossed the 70% level. Kudos to our global colleagues and partners. Phil will walk us through additional details of as-adjusted performance in his commentary, which is necessary to set the correct baseline for fiscal 2025.

Moving to slide 5, our performance in the fourth quarter capped a transformative year for Trimble. For those newer to the Trimble story, we call our strategy “Connect & Scale.” Our technology is digitizing and transforming work in the construction, geospatial and transportation industries. These markets are large, global, underserved and underpenetrated with a combined addressable market of over \$70B. By executing our strategy, we have simplified, focused and strengthened Trimble. We now report under three segments, with leadership perfectly aligned to this structure. We have also transformed our business model in the process, delivering compelling and compounding financial returns. On an as-reported basis, between 2019 and 2024, ARR increased from \$1.2B to over \$2.26B. Recurring revenue doubled as a percent of overall revenue to 62%, and overall software & services increased to 76% of revenue. Gross margins in 2024 at

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68.2% have increased over 1000 basis points. All this has translated into over 400 bps of EBITDA improvement, with 2024 ending at 27.2%.

At our investor day in December we outlined the progression and direction of our strategy, detailing our right to win at the intersection of product, technology and go-to-market. We laid out our 3-4-30 ambition through 2027 to deliver \$3B of ARR, \$4B of revenue, and 30% EBITDA margins. By delivering transformative outcomes for our customers, we are poised to deliver compelling returns to our shareholders. Today I'll highlight the last few months of Connect & Scale strategic progression in three areas. First, product and go-to-market through the lens of our customers. Second, technology innovation; and third, capital allocation.

In the fourth quarter we engaged with thousands of our customers and partners. Our Dimensions user conference, which focuses on the engineering & construction industry, had more than 7,000 registered attendees. We ran sessions onsite at the venue and offsite at a purpose built proving ground where we could demonstrate our field solutions in the dirt. We had the opportunity to showcase our product innovation progression as we move from point solutions to workflow to ecosystems. This progression uniquely leverages the vast installed base we have across the lifecycle continuum of the engineering & construction industry. At the offsite venue, pictured on the cover slide, more than 25 of our OEM partners demonstrated onboard and offboard technology serving a large array of machine types, and we were able to showcase our unique office to field workflow connectivity. The unique value we are offering to the ecosystem is evidenced by the strong growth in ARR in both AECO and Field Systems. Further evidence of this unique value is in the record level of ACV bookings in AECO in the quarter. In Transportation, we see and hear our customers asking us to address similar opportunities as our construction customers - they increasingly seek data rich solutions delivered in a common and connected data environment. While the freight market macros remain challenged, our team is doing a good job controlling what we can control. For example, the Transporeon business achieved an all time record level of bookings in both the fourth quarter and the year. When the freight markets return to growth, this business is well positioned to showcase its true financial potential. Complementing the product direction is

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the innovation that has taken hold with our go to market initiatives across the Company, which have never been better aligned to unlock the potential of Trimble.

On the technology innovation front, we continue to progress state of the art in our core positioning technologies, along with connectivity, collaboration and visualization. We believe we are well positioned to be a winner in a data centric and AI forward world, leveraging trillions, billions, millions and thousands. Trillions of dollars of construction programs run through Trimble. Tens of billions of freight run through Trimble. We have millions of users of our software, we manage millions of miles of our roadways and we have hundreds of thousands of instruments and machines out in the field in the real world operated by Trimble technology. Over the last few months we have increased the adoption of AI to fuel our own productivity, creativity and to drive profit expansion. We've been launching agents to better support customers, product managers, and our sellers. The potential is exciting and we will continue to lean into the technology to drive both internal efficiencies and amplify customer value.

Finally, I'll cover three topics on the capital allocation front, starting with the divestiture of our Mobility business, which we closed on February 8th. We are a significant shareholder in Platform Science and we refreshed an ongoing and important commercial relationship with their team to link telemetry with our broad set of capabilities including dispatch, scheduling, routing, navigation, maintenance, visibility, freight procurement and more. We are accounting for this investment under the cost method of accounting, where our investment will be represented on our balance sheet rather than the non-GAAP P&L. Second, we remain committed to executing our share buyback plan. We continue to believe that repurchasing Trimble stock is an attractive opportunity for capital deployment given our share price today. As further evidence of our commitment, today we are announcing that our board increased our repurchase authorization to \$1 billion. Third, given the strength and momentum in the underlying business, and particularly the success we have demonstrated executing our TC1 platform strategy in AECO, we intend to play offense on the acquisition front. Tuck-in opportunities that can quickly integrate and be put in the hands of our sellers are the most obvious category,

building on the success we have had with such moves over the past few years. We will also opportunistically consider larger opportunities should they present themselves, particularly in construction software – though the bar will be high, anchored in our disciplined focus on ROI and compared to the returns we can generate from buying back our own shares. Trimble enters 2025 with a balance sheet well below our leverage targets, with continued strong free cash flow generation and with shares trading at levels we find attractive – collectively this gives us a range of good options to consider as we drive value for shareholders.

Phil, over to you.

## **Phil Sawarynski, Chief Financial Officer**

Thanks Rob. On January 16th, we filed our 2023 amended 10-K along with our 10-Qs for the first, second, and third quarters of 2024. As we messaged throughout the process, there was no change to our filed financial results. Our full attention is now focused on working with our audit provider to complete the 2024 audit. The good news is that the 2024 audit work builds on the 2023 work. The challenge is that because of the 2023 filing delays, the timeline is compressed. We are likely to file our 2024 10-K after the March 4th due date and are working to file within the 15 day extension that is allowed under SEC rules. At this time, we believe any delays to our filing would be solely due to the tight timeframe. We are, of course, working hard and doing everything we can to file our 10-K on time.

Let's review the fourth quarter and the year for 2024, starting on slide 6. Unless otherwise noted, I will be talking about our as-adjusted numbers which remove the effects of the recent divestitures and the 53rd week, including the January first term license renewals. As reported numbers, along with a reconciliation, are provided in the appendix. Organic revenue was up 9% for the quarter and 6% for the year, with ARR up 16%. We achieved EBITDA margins of 27.8% for the quarter and the year, both of which expanded nearly 100 basis points. Reported EPS was at \$0.89 for the quarter and \$2.85 for the year. The reason we didn't see an even

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larger EPS outperform was primarily due to additional incentive compensation accruals and additional sales commissions.

Moving to the balance sheet and cash flow items on slide 7, our reported free cash flow for the year was \$498M which represents a conversion rate of 0.71 to net income. Adjusting for \$204M of M&A related tax payments and transaction costs, cash flow was over \$700M with a conversion rate of approximately 1X. Our balance sheet is strong with over \$700M of cash and a leverage ratio of less than 1 times which is well below our long term targeted rate of 2.5 times.

Let's shift to a segment review of the numbers before we close with guidance, starting with AECO on slide 8. 18% ARR growth for the quarter and the year, and operating income at 31.2% for the quarter and the year. This is a scaled business nearing \$1.3B of ARR and revenue and operating well above the rule of 40; in fact, it was greater than a rule of 45 for both the quarter and the full year. ACV bookings increased over 20% in the quarter, providing momentum to our ongoing commitment to grow ARR at our long term model rate in the mid-teens. We were especially pleased with the ongoing performance of our Trimble Construction One offerings as well as the level of growth in cross selling and upselling initiatives.

Next, Field Systems on slide 9. While for the year, revenue was slightly down on an organic basis, it inflected positively in the second half of the year and was up 2% in the fourth quarter. Of particular note, ARR growth at 21% for the quarter and the year demonstrates the intentionality of our business model conversions. In almost every business where we have implemented these changes we have seen the addressable market expand. It should also be noted that the recurring revenue conversions were a 150 bps headwind to 2024 annual revenue growth; thus, the two must be looked at in combination. It should be further noted that the team executed on these transitions while increasing operating income margins to 30.1% for the year.

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Finally, Transportation & Logistics on slide 10. Revenue and ARR were up 8%, both for the quarter and the year, led by growth above the segment average from our Maps business and the Transporeon business. Operating margins were 24.1% for the year. Transporeon continues to deliver in a challenging freight environment with strong double digit bookings growth for the year, including several cross sells with North American customers as the Connect and Scale playbook is being replicated in the transportation segment.

Before we turn to guidance, let's set context with a few considerations related to tariffs and foreign currency translation. Based on what we know today, we have not modeled any impact of new tariffs into our guidance. Given the software centricity of Trimble today and the geographic diversity of our revenue and supply chains, we are confident we can navigate the environment with minimal financial impact. With respect to foreign currency, our EPS has historically been naturally hedged against currency moves, given our global workforce. However, with the growth in AECO and Transporeon outside the US, we now expect a slight amount of foreign currency translation headwind to flow through to EPS.

For 2025 guidance on slide 11, the midpoint of our as reported guidance is \$3.42B and \$2.87 EPS. This includes one month of Mobility with approximately \$20M in revenue and under \$0.01 of EPS. On an as-adjusted basis, our EPS guide implies low to mid teens EPS growth year over year, consistent with our long term model. Our guidance assumes the strong US dollar holds, and we have incorporated into our guidance full year foreign currency impacts on revenue of minus \$50M, ARR of minus \$30M, and EPS of approximately minus \$0.04. Relative to our initial fiscal 2025 guidance we provided in December at our Investor Day, on a constant currency basis, we have raised our revenue and EPS guidance.

For first quarter guidance on slide 13, we expect as-reported revenue to be in the \$794-\$824M range and EPS \$0.55 to \$0.61. We have provided an updated view of calendarization in the earnings supplement on our investor site, which is in line with what we shared at investor day. On an as adjusted basis, organic growth for the first quarter is in the -1% to +3% range. Please note that there is no January 1st in our 2025 fiscal first

quarter - it was in the fourth quarter of 2024. Adjusting for this would result in first quarter 2025 organic growth of approximately 8% at the midpoint. Also note that January 1st, 2026 will occur in the fourth quarter of fiscal 2025. Both revenue and operating margins are expected to trend up in both absolute and percentage terms as we move through the year, reflecting the fact that our portfolio is now more heavily weighted to the growing recurring revenue business models, and less impacted by seasonality in Field Systems.

With that, I will turn it back to Rob.

## **Rob Painter, President and Chief Executive Officer**

Thanks Phil. I appreciate that divestitures and a 53rd week makes comparables a bit difficult. We encourage you to refer to the supplement on our website where we outline the moving parts. To keep things simple, whether we are talking on an as-reported or as-adjusted basis, the message is the same. We ended 2024 on a strong note with a significant beat on our numbers, and we are carrying that momentum into 2025 with raised guidance on a constant currency basis. I'll close with a reflection on confidence and humility. Confidence, at every turn, is what we deliver to our customers, improving performance and unlocking insights with technology. As we execute our Connect & Scale strategy in 2025 and beyond, we are confident in our ability to execute the strategy, and excited about the opportunities in front of us. We are also humble as we navigate the uncertainty in the current environment. Our highly experienced and values-driven team is hard at work to achieve the potential of Trimble. I'll close by extending my gratitude to our colleagues, partners and shareholders for their ongoing support.

Operator, let's open the line to questions.